

Bechtel Marine Propulsion Corporation Post Office Box 79 West Mifflin, PA 15122-0079

AM-00228 April 16, 2015

To: Bechtel Marine Propulsion Corporation (BMPC) Suppliers

Subject: BMPC Policy on Gratuities, Gifts, and Favors

References: a. FAR 52.203-3, Gratuities

b. FAR 52.203-13, Contractor Code of Business Ethics and Conduct

BMPC policy prohibits its employees from giving, soliciting, accepting or attempting to give or accept favors or gratuities. This policy is consistent with Government regulations established in the Federal Acquisition Regulation (FAR), Part 3 - Improper Business Practices and Personal Conflicts of Interest. BMPC suppliers are asked to respect this policy and are advised that the referenced subcontract provisions allow for the application of penalties associated with the furnishing of gratuities and favors. Compliance with this policy is important to both BMPC and its suppliers because transactions relating to the expenditure of public funds require the highest degree of public trust and an impeccable standard of conduct.

Gratuities, gifts, and favors are items that can include entertainment, tickets, passes, promotions, and meals. Should a meal be a necessary part of a meeting, BMPC employees are required to pay for their own meal. Please ensure that your employees know of and observe this policy.

BMPC employees who receive an unsolicited gift of more than nominal value are required to return the gift with the explanation that acceptance is prohibited by company policy. Gifts of nominal value have an extremely low value and are characterized by small advertising items such as pens, mugs, and calendars.

Your company's knowledge of this policy and adherence to it when working with BMPC is appreciated.

Very truly yours,

Judith A. Coll, Manager Acquisition Management

Bechtel Marine Propulsion Corporation